



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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March 9, 2000

CERTIFIED RETURN RECEIPT
P 074 976 817

Stephen E. Flechner
President and CEO
North Lily Mining Company
1800 Glenarm Place, Suite 210
Denver, Colorado 80202

Re: Failure to Comply with Notice of Non-Compliance, North Lily Mining Company (North Lily), Tintic Project, M/023/007, Juab County, Utah

Dear Mr. Flechner:

I must inform you that North Lily Mining Company has failed to adequately comply with the mitigation requirements as described in the Division's Notice of Non-Compliance, of October 12, 1999, and the Division's Finding of Non-Compliance of November 16, 1999.

North Lily has provided written responses to the Notice of Non-Compliance and Finding of Non-Compliance, but these responses have been inadequate. There were two basic requirements of the non-compliance:

1. Submit a detailed plan describing how the company will stabilize and maintain the site to address the findings of non-compliance as outlined in the October 12, 1999 letter; and
2. Clean up the site to dispose of miscellaneous trash and debris, repair pond liners in critical areas and perform appropriate ditch maintenance.

First, we have received no plan and second, clean-up tasks which North Lily stated had been accomplished in its November 22, 1999 letter, were not actually performed. The latter were verified by site inspections on December 7, 1999 and February 14, 2000. The lack of effective

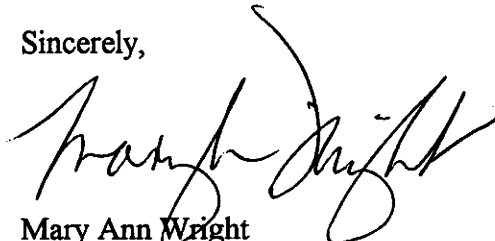
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and timely actions by North Lily have allowed site conditions to continue deteriorating to the point where the current approved reclamation plan on file with the Division would no longer be effective.

Be advised that this Division is proceeding with issuance of a Notice of Agency Action to formally appear before the Utah Board of Oil, Gas and Mining. This Notice of Agency Action will arrive separately. If you require additional information regarding this matter, please contact me at 801-538-5306.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Ann Wright", is written over a horizontal line.

Mary Ann Wright
Associate Director of Mining

jb
cc: Don Ostler, DWQ
O\ACTION\m23-07AA.ltr

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SENDER: JB DOGM M/023/007 3/9/00

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- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
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Consult postmaster for fee.

3. Article Addressed to:

STEPHEN E FLECHNER
NORTH LILY MINING CO
1800 GLENARM PL STE 210
DENVER CO 80202

4a. Article Number

P 074 976 817

4b. Service Type

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MAR 13 2000

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PS Form 3811, December 1994

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